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A new approach for the allocation of UNFPA resources to country programmes

Report of the Executive Director

Summary

This report has been prepared in response to decision 95/15, paragraph 5, which invited the Executive Director to refine the proposed approach for resource allocation to countries as contained in document DP/1995/25, based on relevant provisions of the Programme of Action of the International Conference on Population and Development, including paragraphs 14.14, 14.15 and 14.16, as well as on other qualitative and quantitative indicators, and taking fully into account the views expressed by delegations during the 1995 session of the Executive Board and the need to give special attention to the least developed countries and Africa; and to report thereon to the Executive Board at its first regular session 1996.

This report calls for a decision by the Executive Board to approve the new proposed approach for the allocation of UNFPA resources to country programmes.

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I. INTRODUCTION

1. Following the 1994 International Conference on Population and Development (ICPD), UNFPA undertook a thorough review of the implications of the Programme of Action for the activities of the Fund and submitted a report to the Executive Board at its annual session in June 1995 on programme priorities and future directions of UNFPA in light of the ICPD (document DP/1995/25 and Corr.1). After debating the report, the Executive Board endorsed the new programme priorities and took note of the proposed new UNFPA system for resource allocation (decision 95/15). It also invited the Executive Director to refine the approach for resource allocation to countries, as contained in document DP/1995/25, and to report thereon to the Executive Board at its first regular session in January 1996.

2. This report is being submitted in response to that request. The report briefly reviews the evolution of the present system whereby UNFPA has been designating priority and non-priority (other) countries for resource allocation; presents a new approach, with two options, for allocating resources to country programmes; and analyses the implications of the new approach. The report concludes with a recommendation and a set of elements for a decision for consideration by the Executive Board.

II. BACKGROUND

3. UNFPA is expected to provide assistance to all countries that request it. While maintaining this principle, the former Governing Council requested the Fund to develop a system of resource allocation that would focus resources on the countries most in need of UNFPA assistance. This system began to function in 1977 utilizing various socio-economic and demographic criteria and thresholds to designate priority countries for UNFPA assistance. The criteria and thresholds used were periodically reviewed, revised (if necessary) and approved by the Governing Council to reflect changes in demographic and socio-economic conditions in developing countries.

4. There has been a continuing discussion between UNFPA and the former Governing Council and the present Executive Board on the system used to allocate resources to priority countries. The most recent report, submitted to the Governing Council at its fortieth session (1993), was the "Report of the Executive Director reviewing the Fund's experience in implementing the priority-country system" (document DP/1993/33). Previous reports of the Executive Director to the various sessions of the Council on UNFPA's experience with the system of priority countries are provided in the notes.[1] Additionally, the Executive Director includes information on priority countries in the programme highlights section of the Fund's annual report.

5. To determine which countries had the greatest need for external financial assistance, the Fund selected, under the priority-country system, one economic indicator [per-capita gross national product (GNP)] and various demographic and socio-economic indicators. The indicators selected were considered indicative of major population problems and the level of development of a country. The priority status of countries was determined by applying certain threshold levels for the demographic and socio-economic indicators and by an upper limit for the level of GNP per capita income. Under the present system, for a country to be given priority status, it must have a GNP per capita of $750 or less and satisfy any two of the following five criteria and threshold levels: (a) annual increment of 100,000 or more to total population; (b) gross reproduction rate of 2.0 or more; (c) infant mortality rate of 120 per 1,000 live births or more; (d) density of agricultural population on arable land of 2.0 persons or more per hectare; and (e) female literacy rate of 40 per cent or less.

III. UNFPA'S EXPERIENCE WITH THE SYSTEM OF PRIORITY COUNTRIES

6. A brief analysis of UNFPA's experience with the system of priority countries is presented below. Table 1 shows the number of priority countries by region in 1983, 1988 and 1994. Table 2 presents the distribution of expenditures in priority countries for selected years, expressed as a percentage of total expenditures for country programmes.

Table 1. Distribution of countries by priority status and region, 1983, 1988 and 1994 (number of countries)

Region	1983	1988	1994
Sub-Saharan Africa	30	31	32
Asia and the Pacific	16	16	17
Latin America and the Caribbean	2	3	5
Arab States and Europe	5	5	4
Total	**53**	**55**	**58**

Table 2. Number of priority countries and distribution of UNFPA expenditure by priority status, 1983, 1988, 1992 and 1994

Priority status	1983	1988	1992	1994
Number of priority countries	53	55	58	58
Percentage of expenditure	70%	72%	76%	71%
Number of non-priority countries	98	98	92	92
Percentage of expenditure	30%	28%	24%	29%
All countries	100%	100%	100%	100%
Total country programme expenditure (in millions)	$73.5	$89.9	$102.9	$160.2

7. The target set for allocations to priority countries was successively increased by the Governing Council from 66.6 per cent of country programme resources in 1977 to 75.0 per cent in 1988 and to 80.0 per cent in 1990. The Fund has utilized these targets to concentrate its programming resources in the countries identified as priority countries. The 80 per cent target set for priority countries as a group has not been achieved due to a number of reasons. These are, most importantly: (a) priority countries with large populations were subjected to ceilings for resource allocations; (b) large allocations to least developed countries (LDCs) could not always be expended in those countries because of their low absorptive capacities; and (c) civil strife and internal disturbances in several other priority countries did not permit rapid and/or full implementation of programmes.

8. The remainder of this report will present and analyse a new approach to resource allocation to country programmes taking into account the relevant provisions of the ICPD Programme of Action and the views expressed by delegates during the discussion of this item at the Board's annual session in 1995 and the subsequent discussion of this topic at an informal briefing held at UNFPA headquarters on 3 November 1995.

IV. TOWARDS A NEW APPROACH FOR RESOURCE ALLOCATION

9. As endorsed by the Executive Board in decision 95/15, UNFPA will concentrate its funding in three core areas: (a) reproductive health, including family planning and sexual health; (b) population and development strategies; and (c) advocacy. The selection of these three core

areas will enable UNFPA to sharpen the strategic focus of its programming and to capitalize on its comparative advantage and experience in the field of population and development. It will also allow the Fund to pursue a holistic approach in addressing the specific population needs of individual countries.

10. Following the 1994 International Conference on Population and Development and the new directions that it recommended for activities in the area of population and development, the Fund recognized that its strategy for resource allocation to developing countries needed to be revised. This was further reinforced by the discussion, and subsequent adoption of decision 95/15, on this issue at the annual session of the Board in 1995. Experience with country programmes across the developing world showed that differential progress had been achieved in individual countries in the area of population and development, that there were different levels of need of countries for multilateral assistance, and that there was an urgent need to enhance the effectiveness and impact of population programmes.

11. Accordingly, in document DP/1995/25 (paras. 71 to 74), the Fund outlined a new approach to resource allocation based on the principles and goals recommended in the ICPD Programme of Action as follows:

(a) All countries seeking UNFPA assistance should adhere to the basic principles of the ICPD Programme of Action;

(b) Technical assistance will be provided to all developing countries requesting it;

(c) Financial assistance will be focused on countries with the lowest level of achievement with regard to ICPD goals related to access to reproductive health and family planning services; access to education by girls and women; and levels of infant and maternal mortality;

(d) Financial assistance to countries that are close to or have already surpassed ICPD goals will be phased out or limited in scope and amount;

(e) Temporary assistance will be provided to countries with economies in transition, particularly for family planning and reproductive health;

(f) South-South cooperation will be promoted.

12. The Executive Board reviewed this approach at its annual session in June 1995 and, in decision 95/15, invited the Executive Director "to refine the proposed approach, based on the

relevant provisions of the Programme of Action of the International Conference on Population and Development, including paragraphs 14.14, 14.15 and 14.16, as well as on other relevant qualitative and quantitative indicators".

13. The Programme of Action in paragraphs 14.14., 14.15 and 14.16 recommends that criteria for allocation of external resources should include the coherence of national programmes and plans on population and development and the need for external resources to complement national financial efforts. These paragraphs also recommend that resource-allocation decisions should take account of the recognized priority to the least developed countries and problems of significant social sectors and regions not reflected in national averages. Furthermore, the Programme of Action states that countries with economies in transition should receive temporary assistance for population and development activities in the light of the difficult economic and social problems these countries face at present. The Programme of Action also urges that more attention should be given to South-South cooperation and to the new ways of mobilizing private contributions, particularly in partnership with non-governmental organizations (NGOs).

14. On the basis of the directions suggested by the Executive Board, the Fund has further refined the approach for allocating resources to country programmes. The new approach includes two options, which are described in the following sections of this report. Although the new approach builds upon the current priority-country system, it is substantially different. First, the new approach is based on a country's level of achievement of ICPD goals. Secondly, the new approach recognizes that there is a continuum of needs, from countries that have made little progress towards achieving the ICPD goals to countries that have already reached or surpassed all of these goals. Finally, the new approach recognizes the urgent need for providing temporary assistance to countries with economies in transition as well as the importance of promoting South-South cooperation.

V. ELEMENTS OF A NEW APPROACH FOR RESOURCE ALLOCATION

15. The new approach for allocating UNFPA resources to country programmes will function, under both options, at two levels. First, indicators of ICPD goals (described below) will be used (together with an indicator of income in the case of the proposed option I) to group countries according to the level of their needs for external assistance in the area of population and development. Second, further criteria, including those mentioned in the Programme of Action in paragraph 14.14, will then be employed to distribute resources to individual countries within each group. This two-phase approach allows greater flexibility in allocation decisions and thus is better suited for responding to temporary or *ad hoc* situations that may alter the capacity of certain countries to use external assistance.

16. In developing this approach, UNFPA undertook an extensive analysis of the present situations in developing countries with respect to the major ICPD goals and, in particular, the current levels the countries had reached on a range of indicators. On the basis of this analysis, and in consultation with a group of experts from outside UNFPA, the Fund selected seven indicators, described below, for measuring progress towards the achievement of these ICPD goals. Threshold values for each of the seven indicators for the year 2005 were also formulated, again in consultation with the same group of external experts.

A. Selection of ICPD-goal indicators

17. As discussed, the new approach for resource allocation will make use of the quantitative goals recommended by the ICPD Programme of Action. The ICPD document lays out specific longer-term goals in three major areas to be met over the next two decades, as well as intermediate goals to be achieved within one decade (by the year 2005). These areas are:

(a) Access to reproductive health. All countries should strive to make reproductive health services accessible to all individuals of appropriate ages through the primary health-care system, as soon as possible and no later than the year 2015. The ICPD Programme of Action also states that all countries should, over the next several years, assess the extent of national unmet need for good-quality family-planning services and address that need within the context of a reproductive health framework. All countries should take steps to meet the family-planning needs of their populations as soon as possible and should, in all cases by the year 2015, seek to provide universal access to a full range of safe and reliable family-planning methods and to related reproductive-health services that are not against the law;

(b) Mortality reduction. The ICPD Programme of Action makes specific recommendations concerning infant mortality, stating that, by the year 2005, countries with intermediate mortality levels should aim to achieve an infant mortality rate below 50 deaths per 1,000 live births. It also states that countries that achieve this level earlier than 2005 should strive to lower the level further. With regard to maternal mortality, the ICPD recommends that countries with intermediate levels of mortality should aim to achieve, by the year 2005, a maternal mortality rate below 100 per 100,000 live births. Countries with the highest levels of mortality should aim to achieve by 2005 a maternal mortality rate below 125 per 100,000 live births;

(c) Universal education, especially of girls. The eradication of illiteracy is one of the prerequisites of human development. All countries should consolidate the progress made in the 1990s towards providing universal access to primary education, as agreed upon at the World Conference on Education for All, held at Jomtien, Thailand, in 1990, notably in ensuring universal access to primary education. The Programme of Action states that beyond the

achievement of the goal of universal primary education in all countries before the year 2015, all countries are urged to ensure the widest and earliest possible access by girls and women to secondary and higher levels of education.

18. The UNFPA approach for resource allocation will explicitly take into account the situation in each country with respect to the progress it has achieved towards attaining these goals, as will be described in the later sections of the report.

19. In selecting a set of indicators to measure these goals, the following important considerations were taken into account: (a) each indicator should objectively measure an important dimension of the goal; (b) each indicator should have a uniform meaning and definition; (c) data should generally be available for all developing countries from internationally recognized sources; and (d) data should be recent and available for the same period. The indicators selected in the following three sub-sections were chosen by taking these fundamental criteria into account.

1. Indicators related to access to reproductive-health services

20. Ideally, to measure the reproductive-health goals set out in the Programme of Action, indicators on easy access to a full set of reproductive-health services, including family planning and sexual-health services, would be required. They should be complemented by other indicators that would gauge the quality of the services provided. However, such indicators are not widely available, and much methodological work needs to be done to develop such indicators and introduce them into national data systems -- work that the Fund is actively supporting, along with the World Health Organization (WHO) and other concerned agencies.

21. There are, nonetheless, indicators available from international sources on some key aspects of reproductive health. Deliveries that are attended by trained health personnel are an important aspect of reproductive health. Furthermore, the fact that such attention is available at the time of delivery indicates the probable existence of a health system that is responsive to other reproductive-health elements such as ante-natal care. WHO compiles national data on the proportion of all deliveries that are attended by trained health personnel.[2] Data for this indicator are available in most developing countries for a recent period. This indicator is therefore proposed for inclusion in the new approach for resource allocation.

22. Another important element of reproductive health that is highlighted in the ICPD Programme of Action is access to quality family-planning services. Ideally, measurement of this element would include the range of contraceptive methods available, the cultural acceptability of the services provided, the waiting period of clients, the amount of counselling provided during client-provider interactions, as well as other indicators of quality of service. Although such

indicators exist within individual family-planning programmes, they are not widely available; nor, in general, do such indicators always conform to internationally agreed definitions. Quality-of-care indicators in particular are often subjective in nature and, while useful for improving services within individual programmes, are not suitable for international comparisons.

23. A measure of access to family-planning services is the prevalence of contraceptive use. Although it gives only an approximate indication of the full range of a quality programme, the contraceptive prevalence rate (for all methods) is an objective measure that is widely available and of good quality. While it is true that an index including several facets of access to quality services would be preferable, until such an indicator becomes widely available, the contraceptive prevalence rate (CPR) may be used as a proxy measure. This indicator is accurately measured through such data-collection instruments as demographic and health surveys. Moreover, in cases where it is not directly available, highly accurate indirect procedures exist to obtain reliable estimates.[3] UNFPA, therefore, proposes to use the contraceptive prevalence rate in the new approach for resource allocation.

24. Another important element of reproductive health is the degree of access the population has to services. Access should be defined not just in terms of physical proximity to service points but should also reflect the infrastructure, resources and supplies available at the points of service as well as indications of quality of care. As mentioned, for many of these aspects, internationally standardized measures are not available. Data are widely available, however, on access to basic health services, which thus may be used as a proxy indicator. Given that the reproductive-health elements that UNFPA will support through its country programmes will be centred in primary health care systems, the proportion of the population that has access to basic health services[4] will be included as an indicator of the achievement of the ICPD reproductive-health goals.

2. Indicators related to mortality reduction

25. As indicated above, the Programme of Action specifies goals for mortality reduction as well as the indicators to be used to measure such reductions. The infant mortality rate is widely available, objectively measures the phenomenon and has an internationally standardized approach to its measurement. For these reasons, this indicator has been part of the Fund's resource-allocation system since its inception and is proposed for continuation in the new approach as well.

26. Maternal mortality is an important measure for mortality reduction, especially as it has implications for the acceptability and level of reproductive-health services. The maternal mortality ratio (MMR) is now widely available as an indicator of maternal mortality. While the reliability of the MMR is not as high as it is in the case of the infant mortality rate and is subject to random errors in countries with small populations, this indicator is being subjected to methodological

scrutiny by interested international organizations (e.g., WHO, UNICEF, UNFPA), and the acceptability of national estimates is growing.[5] In view of its importance to achieving ICPD goals in both reproductive health and mortality areas, the MMR will be included as an indicator in the proposed approach.

3. Indicators related to education, especially of women and girls

27. Ideally, information on the proportion of children, and in particular of girls, who complete primary education (and secondary education in cases where primary education goals have been largely met) would be desirable for measuring the education goals set out in the Programme of Action. Such data, however, come from special surveys and for this reason are not widely available. There are several indicators to measure use of educational facilities. The best known indicators are the gross enrolment and net enrolment rates. Of the two, data on gross enrolment are more widely available and give a fair approximation of current attendance levels of children at schools. Thus, the Fund proposes to include gross female enrolment rate at the primary level in the new approach for allocating resources.[6]

28. For assessment of level of achievement of the educational goals of the ICPD Programme of Action, data on the educational level of adult females are also needed. Information on attainment of different educational levels in a standardized form is not widely available and, moreover, would change only slowly over time as old cohorts are replaced by younger ones. Literacy campaigns for adults, on the other hand, may quickly change the ability of adults to address their personal needs and concerns. UNESCO collates country-specific reports on literacy and provides international estimates of levels of literacy. These data, although subject to a number of conceptual and measurement problems, allow an indication of progress made towards improving the literacy of women, not just of girls. For these reasons, UNFPA proposes to use, as in the past, the adult female literacy rate in the new approach for resource allocation.[7]

B. Thresholds: Levels for the year 2005

29. Threshold levels for the year 2005 were developed for each of the seven indicators based on goals set out in the ICPD Programme of Action. Medium-term goals for the year 2005 are suitable for programming purposes since they present a practical time horizon for formulating plans and strategies and for measuring progress towards achieving the longer-term goals for the year 2015.

30. In the case of the mortality indicators, specific mortality-reduction targets are suggested in the Programme of Action itself and thus have been used here. For the other five indicators -- that is, those related to access to reproductive-health services and to education -- thresholds were

established by considering both the current (1995) situation of developing countries, and in particular the levels reached by the least developed countries, as well as the ICPD goals for the year 2015. In general, mid-points between these two levels were chosen as thresholds for the year 2005. The thresholds thus represent medium-term goals that could feasibly be attained by the year 2005, particularly if sufficient resources -- along the lines set out in the ICPD Programme of Action in paragraphs 13.15 and 14.11 -- are made available.[8]

31. The seven indicators thus selected for inclusion in the new approach for resource allocation and their recommended thresholds are given below in table 3. It should be noted that, by including three indicators related to the goal of attaining full access to reproductive-health services, including family planning and sexual health (as opposed to two indicators each for the goals related to mortality reduction and education), extra weight is being given to the reproductive-health dimension, in line with the programming priorities endorsed by the Executive Board in decision 95/15. The indicators selected also reflect the cross-sectoral ICPD goal pertaining to the empowerment of women.

Table 3. Indicators and threshold levels

Goal / Indicator	*Threshold*
Goal: Access to reproductive health	
1. Proportion of deliveries attended by trained personnel	≥ 60 per cent
2. Contraceptive prevalence rate	≥ 55 per cent
3. Proportion of population having access to basic health services	≥ 60 per cent[9]
Goal: Mortality reduction	
4. Infant mortality rate	≤ 50 infant deaths per 1,000 live births
5. Maternal mortality ratio	≤ 100 maternal deaths per 100,000 live births
Goal: Universal primary education	
6. Gross female enrollment rate at the primary level	≥ 75 per 100
7. Adult female literacy rate	≥ 50 per cent

C. New approach with options

32. Using the most recent data available for these indicators, the Executive Director proposes a methodology that classifies developing countries into three groups for UNFPA assistance. Two variations of this system are presented below: option I, which uses income (GNP per capita) as a defining criterion along with attainment of the ICPD goals according to the seven indicators and thresholds provided in table 3; and option II, which focuses exclusively on the attainment of the ICPD goals. Both options classify countries into three groups.[10]

Option I

33. Option I classifies countries into three groups on the basis of both per-capita income and number of threshold levels met. The resulting groupings are as follows:

(a) The first group (Group A) is composed of countries that have a low per-capita GNP (developing countries whose per-capita income is under or around $750) and have met the threshold levels of only 0 to 3 indicators. This group would also comprise all LDCs,[11] including those that have met the threshold levels of more than 3 indicators. The average GNP per capita of the countries in this group is $407. It is proposed that the countries in Group A receive 65 per cent of total country-programme resources in the future, so as to facilitate the concentration of the Fund's resources in those countries that have the greatest needs. UNFPA support to these countries would be provided for comprehensive population and development programmes;

(b) The second group (Group B) includes countries (a) with GNP per capita of higher than $750 and/or (b) that have achieved good progress by having already met the threshold levels of 4-6 indicators. These countries still need support in several significant sectors and, in some cases, in low-income and underdeveloped regions within national territories. It is proposed that the proportion of resources to be allocated to Group B countries be set at 24 per cent;

(c) The third group (Group C) includes countries that have already met the thresholds for all seven indicators. Some programme support would still be provided to these countries in selected thematic areas to assure that the gains already made are not compromised by adverse economic situations. Moreover, support for technical assistance and South-South cooperation, as specified in the Programme of Action, would be provided to this group of countries. It is proposed that, as a group, they receive 7 per cent of country-programme resources in the future.

Option II

34. At an informal consultation held with Executive Board members in early November 1995, a consensus emerged on the need to give greater emphasis to countries that are farthest away from attaining the ICPD goals. Thus, UNFPA decided to include in this submission an additional option (option II) to that presented above. Under this option, all countries that have met only three or fewer threshold levels of the indicators would receive comprehensive assistance from UNFPA. Option II would seek to accelerate such countries' efforts to achieve the ICPD goals; enable a larger number of couples and individuals to gain access to reproductive health and education; and help reduce mortality.

35. Option II uses the seven indicators and thresholds, described above, as the primary means for classifying developing countries into groups for UNFPA assistance. The modified groups, then, are as follows:

(a) The first group (Group A) is composed of countries that have met the threshold levels of only 0 to 3 indicators. This group would also include all LDCs. The average GNP per capita of these countries is $484. It is proposed that countries in Group A (option II) receive 69 per cent of total country-programme resources;

(b) The second group (Group B) includes all countries that have met the threshold levels of 4-6 indicators. The average GNP per capita of these countries is about $2,000. It is proposed that the proportion of total resources allocated to this group of countries be set at 22 per cent;

(c) The third group (Group C) would be the same as Group C of option I, being composed of countries that have already met the thresholds for all seven indicators. It is proposed that, as a group, they receive 5 per cent of country-programme resources.

Countries with economies in transition under both options

36. In addition to the three groups of developing countries described above, in both option I and option II, the countries with economies in transition -- as noted in the ICPD Programme of Action (paragraph 14.15) -- will have needs for external assistance on a temporary basis. It is proposed that up to 4 per cent of country-programme resources be allocated for countries with economies in transition for the next few years. The expectation is that the need to assist these countries will decrease over the next five years and that during that period the bulk of resources allocated to this group will be concentrated in the Central Asian Republics and Kazakstan (CARK) sub-region.

D. Distribution of resources to individual countries

37. Until now, the distribution of resources to individual countries has been guided by decision 81/7 of the former Governing Council, which requested the Executive Director to take the following criteria into account in making allocations: (a) magnitude of the population problems in relation to per-capita gross national product; (b) population size and annual increase in absolute numbers; (c) policies and programmes of the Government; (d) commitment by Governments to stated population policy; (e) a country's absorptive capacity; (f) level of support of development assistance per capita from other sources; (g) level of support for population activities from other sources; and (h) actual and projected implementation rates.

38. In the future, however, UNFPA proposes that the distribution of resources, under either option, to individual countries within each group (A, B, and C) would be based upon, inter alia, criteria suggested in the ICPD Programme of Action, alluded to in paragraph 13 above. These are, specifically, as follows: (a) adherence to the basic principles of the ICPD Programme of Action; (b) the size of population with a ceiling for allocations, as has been the past practice; (c) commitment to population policies as indicated by formal adoption of a population policy as part of an overall development policy, by the existence of a reproductive-health policy, including family planning and sexual health, and by the level of domestic allocations to population programmes specifically addressing ICPD goals; and (d) the level of population assistance from other external sources.

39. In line with the proposed options for resource allocation (both options I and II), countries would fall into three groups. Group A countries would consist mostly of low-income developing countries and would include most of the sub-Saharan African countries and all of the LDCs. These countries, which in general have made little progress towards achieving the ICPD goals, suffer from a lack of trained staff and appropriate services. It is necessary therefore to strengthen their institutional base, develop their human resources, help increase their national financial contributions to population activities and heighten the commitment of their staff. Thus, an important concern in the context of these countries is not just the magnitude of support, but also the type of assistance provided.

40. As countries in Group B have met most of the threshold levels of the indicators, they would require selective types of assistance. Since they have already met four to six specified indicators of the ICPD goals, UNFPA would consider selective support to programme areas where goals have not been reached and to sub-national areas that have special needs, as identified through PRSD exercises. The Fund will also provide technical assistance to this group of countries in areas that still require strengthening.

41. As indicated above, countries in Group C have already met the thresholds for all seven ICPD-goal indicators. Some programme support may still be given in selected thematic areas to assure that the gains already made are not compromised. Support for technical assistance would feature in allocating resources to these countries, and South-South cooperation would be strongly promoted.

42. Temporary financial assistance would be provided to countries with economies in transition, particularly for reproductive health and family planning. Such assistance would focus on reducing the incidence of abortion, promoting the use of modern contraception and addressing social and cultural constraints to the practice of family planning. Furthermore, the Fund would support these countries in formulating or revising existing population policies to ensure that such policies are consistent with the ICPD goals.

VI. IMPLICATIONS OF THE NEW APPROACH

43. The proposed approach was applied to 111 developing countries with populations of 150,000 inhabitants or more.[12] Table 4 contains an analysis of the implications of the new approach for resource allocation under both options.

Table 4. Grouping of countries and selected features by option I and option II

Groups	*Option I*				*Option II*			
	No. of Countries	*1995 Population*	*Share of resources*		*No. of Countries*	*1995 Population*	*Share of resources*	
			Current	*Proposed*			*Current*	*Proposed*
Group A	62	49%	55%	65%	68	51%	60%	69%
Group B	37	20%	31%	24%	31	18%	26%	22%
Group C	12	31%	11%	7%	12	31%	11%	5%
All Groups	111	100%	100%*	100%**	111	100%	100%*	100%**

* Includes 3 per cent for countries with economies in transition.
** Includes 4 per cent for countries with economies in transition.

A. Option I

44. Under option I, Group A countries comprise 49 per cent of the total population of the 111 developing countries with a population of 150,000 or more. Countries in Group B are 20 per cent

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of the total population, and countries in Group C are 31 per cent. The 62 countries in Group A have, on average, received 55 per cent of the Fund's country-programme resources over the last three years; Group B countries have received 31 per cent, and Group C countries, 11 per cent.

45. The proposed approach for resource allocation under option I, together with the proposed share of 65 per cent of total resources for countries in Group A, would provide those countries with a higher level of assistance, on a per-capita basis, compared to the other two groups.

46. Of the 62 countries in Group A, 37 are from the sub-Saharan African region (accounting for 84 per cent of all sub-Saharan African countries); 17 countries are from Asia and the Pacific; 3 are from Latin America and the Caribbean; and 5 countries are from the Arab States. For Group B, the distribution is as follows: 6 countries from the sub-Saharan African region; 6 countries from Asia and the Pacific; 17 from Latin America and the Caribbean; and 8 countries from the Arab States. Finally, in Group C, there is one country from the sub-Saharan African region, five countries from Asia and the Pacific, and six from Latin America and the Caribbean.

B. Option II

47. Under option II, Group A countries comprise 51 per cent of the total population of the 111 developing countries. Countries in Group B are 18 per cent of the total population, and countries in Group C are 31 per cent. The 68 countries in Group A have, on average, received 60 per cent of the Fund's country-programme resources over the last three years; Group B countries, 26 per cent; and Group C countries, 11 per cent.

48. The proposed approach for resource allocation under option II, together with the proposed share of 69 per cent of total resources for countries in Group A, would also provide those countries with a higher level of assistance, on a per-capita basis, compared to the other two groups.

49. Of the 68 countries in Group A of option II, 37 are from the sub-Saharan African region (accounting for 84 per cent of all sub-Saharan African countries); 18 countries are from Asia and the Pacific; 5 are from Latin America and the Caribbean; and 8 are from the Arab States. For Group B, the distribution is as follows: 6 countries from the sub-Saharan African region; 5 countries from Asia and the Pacific; 15 from Latin America and the Caribbean; and 5 from the Arab States. Finally, the distribution for Group C is the same as option I.

C. Introduction and review of the proposed approach

50. The proposed approach for resource allocation would be reviewed periodically to assess the progress countries have made towards the attainment of the ICPD goals. The review would also be used to reassess the threshold values of the indicators used.

51. The new approach for resource allocation would be introduced in a phased manner. The new approach, therefore, would be applied on a case-by-case basis, taking into account both the stage of the current cycle of assistance and level of programme implementation. For the most part, the new approach would be applied to individual countries as they begin their next programme cycles. Hence, the new proportions proposed for allocations to Groups A, B and C would be gradually achieved, as more and more new country programmes are approved.

VII. RECOMMENDATION

52. Options I and II share many similar features. However, option II places primacy of consideration on the countries that are the farthest away from attaining ICPD goals. While recognizing that both options have considerable merit, the Executive Director recommends that the Executive Board approve option II.

VIII. ELEMENTS FOR A DECISION

53. The Executive Board may wish to:

(a) Take note of the present report (DP/FPA/1996/1);

(b) Approve the approach for resource allocation contained in the report;

(c) Endorse the indicators and threshold levels for ICPD goals for the year 2005;

(d) Endorse option II as presented in the report;

(e) Approve the relative shares of resources to be made available to the three groups of countries;

(f) Endorse the criteria that will be taken into account in distributing resources to individual countries, as specified in paragraph 38 of the report;

(g) Request the Executive Director to undertake a quinquennial review of the system for resource allocation and to report thereon to the Executive Board starting in the year 2000.

Notes

1/ The reports, listed in order of submission, are: "Allocations of UNFPA resources and proposed alternate funding arrangements" (document DP/118); "Priorities for future allocations of UNFPA resources" (DP/186); "Application of criteria for establishing priorities" (DP/232); "Application of criteria for establishing priorities" (DP/263); "The future role of UNFPA: UNFPA in the 1980s" (DP/530); "The UNFPA experience with the system of priority countries" (DP/1982/30/Add.1); "The experience gained by the Fund in using the present set of criteria for selecting priority countries" (DP/1986/38); "The programming experience of the Fund in using the existing set of criteria and suggestions for modification of the criteria in the designation of priority countries" (DP/1988/38); and "Report of the Executive Director reviewing the Fund's experience in implementing the priority-country system" (DP/1993/33).

2/ This indicator is defined as the proportion of births attended by a doctor, a registered midwife or a trained traditional birth attendant. See WHO, Coverage of Maternal Care, 3rd ed., 1993. Data cover the period 1983-1993.

3/ This indicator is defined as the proportion of women of reproductive ages (generally aged 15-49) who are currently using any method of contraception. (See United Nations Population Division, World Contraceptive Use 1994, ST/ESA/SER.A/143. Data cover the period 1986-1993.

4/ This indicator is defined as the proportion of the population who can reach local health services within one hour by the usual means of transportation. See UNICEF, The State of the World's Children, 1995. Data cover the period 1985-1993.

5/ The infant mortality rate is defined as the annual number of deaths to infants aged under one year divided by the annual number of live births, usually expressed per 1,000. See United Nations Population Division, World Population Prospects Database 1950-2050, 1994 Revision. Data are for 1992. The maternal mortality ratio is defined as the annual number of maternal deaths divided by the annual number of live births, usually expressed per 100,000. See UNICEF, The State of the World's Children 1995, which is based on data compiled by WHO. Data cover the period 1980-1992.

6/ The gross female enrollment rate at the primary level is defined as the number of girls enrolled in primary-level grades divided by the sub-population of the age group appropriate to the primary level, usually expressed per 100. See United Nations Statistical Division, Women's

Indicators and Statistics Database, Version 3 (CD-ROM), 1994, which is based on data compiled by UNESCO. Data are for 1990.

7/ The adult female literacy rate is defined as the proportion of women aged 15 or more who are literate. See UNESCO, Statistics on Illiteracy, 1994: Estimates and Projections. Data are for 1990.

8/ Paragraph 13.15 of the ICPD Programme of Action estimates the financial resources needed to successfully implement the Programme. Paragraph 14.11 gives equivalent estimates for the amount of external financial assistance required.

9/ It is noted that this indicator, proportion of population with access to basic health services, suffers from reporting biases that tend to over-estimate true access, partially because distance from a service point alone does not measure what resources and services are actually provided at the service point. The threshold of 60 per cent is viewed as giving a realistic picture of the average levels of access that currently obtain and those that can reasonably be aimed for in the next decade. It should be noted that setting a higher threshold, e.g., of 65 per cent, would not alter the basic distribution.

10/ The distribution of countries by number of thresholds met for 2005 for each group of countries is presented below for each option.

	Number of thresholds met (Option I)								
	0	1	2	3	4	5	6	7	Total
Group A	24	17	7	8	2*	4*	0	0	62
Group B	0	2	3	1	4	18	9	0	37
Group C	0	0	0	0	0	0	0	12	12

	Number of thresholds met (Option II)								
Group A	24	19	10	9	2*	4*	0	0	68
Group B	0	0	0	0	4	18	9	0	31
Group C	0	0	0	0	0	0	0	12	12

* Least Developed Countries

11/ There are currently 48 least developed countries. All 48 will be placed in Group A, taking into account recommendations of the ICPD Programme of Action (paragraph 14.14). Of the 48 least developed countries, 42 have met three or fewer of the seven indicators.

12/ In view of the foregoing discussion and based on the latest data on the selected indicators, the new approach for allocation of country-programme resources was applied to the UNDP list of 126 IPF (indicative planning figures) countries. Of the 126 developing countries in the database, 15 are countries with populations under 150,000 for which most data, save GNP per capita, are unavailable. These countries at present receive a small fraction of UNFPA country-programme allocations in accordance with their requirements. It is proposed that the same order of resource allocation for this group of small-population countries be maintained under the revised approach. The revised approach has therefore been applied to the remaining 111 developing countries with populations of 150,000 inhabitants or more.

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FUTURE ROLE OF UNFPA IN ASSESSING AND MEETING THE UNMET NEEDS FOR CONTRACEPTIVES AND THE REQUIREMENTS FOR LOGISTICS MANAGEMENT

Report of the Executive Director

1. This report has been prepared in response to decision 95/21, in which the Executive Board took note of the UNFPA report on the Global Initiative on Contraceptive Requirements and Logistics Management Needs of Developing Countries in the 1990s contained in document DP/1995/24/Part II; authorized the Executive Director to make appropriate arrangements, in the context of UNFPA's intercountry programme, for the continuation of the Global Initiative beyond 1995; and requested the Executive Director to submit to the Executive Board at its first regular session in 1996 a report containing a reappraisal of the future role of the United Nations Population Fund in assessing and meeting unmet needs for contraceptives and the requirements for logistics management.

2. The Executive Board, at its third regular session, 11-15 September 1995, approved the UNFPA intercountry programme, 1996-1999, which included a proposal for continuing the

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activities of the Global Initiative by funding two professional and one support staff over the four-year period (decision 95/37).

3. This report provides a brief review of the achievements to date of the Global Initiative -- one of the Fund's primary mechanisms for assessing the unmet needs for contraceptives and the requirements for logistics management -- and outlines the new directions for the proposed Global Initiative over the next four years.

I. THE GLOBAL INITIATIVE 1990-1995

4. Since its inception in 1990, the Global Initiative has accomplished a number of significant tasks. It has now completed in-depth studies in 11 countries (Bangladesh, Brazil, Egypt, India, Mexico, Nepal, Pakistan, Philippines, Turkey, Viet Nam, and Zimbabwe); a twelfth study on Nigeria was not completed because of a national strike. These studies estimated the status of the countries' contraceptive requirements and logistics management needs, as well as projecting their requirements and needs over the next 10 years. The in-depth studies also assessed the role of NGOs and the private sector in contraceptive delivery; reviewed local production options; estimated condom requirements for HIV/AIDS prevention; and conducted a financial analysis of the sources and uses of funds for acquiring contraceptive commodities.

5. The studies, which were organized by the staff of the Global Initiative, were conducted with the full cooperation of national authorities and with the active involvement of a national counterpart organization. Collaboration with bilateral and multilateral agencies and non-governmental organizations was also a hallmark of the studies. These included the World Health Organization (WHO), the World Bank and several governmental organizations -- the Australian Agency for International Development (AusAID), the Canadian International Development Agency (CIDA), the Swedish International Development Authority (SIDA), the British Overseas Development Administration (ODA), and the United States Agency for International Development (USAID), as well as several non-governmental organizations (NGOs) working in the area of population -- the International Planned Parenthood Federation (IPPF), The Population Council and The Rockefeller Foundation.

6. One important aspect of the in-depth studies was to provide for a follow-up process. The conclusions and recommendations of each study are presented to and discussed with the Government prior to the team's departure. This facilitates the development of a consensus on the recommendations and provides the basis on which to implement any recommendations. For

example, in Nepal, a follow-up action focused on strengthening the logistics management system. By monitoring stock balances and consumption patterns, Nepal was able to achieve better distribution of contraceptive commodities, and the utilization of private-sector transportation helped to ensure improved contraceptive supply and availability at all service outlets. In Pakistan, various new approaches were instituted including: testing condoms; conducting a regular review of contraceptive stocks; carrying out audits to prevent commodity leakages; conducting a special survey on the use of intra-uterine devices (IUDs); initiating feasibility studies for IUD and condom manufacturing; and streamlining procedures for contraceptive procurement and distribution. In the Philippines, UNFPA provided an injectable contraceptive. In Turkey, plans were made to strengthen commodity forecasting and the logistics management system as well as to improve quality assurance. In Viet Nam, a number of steps were taken to improve the management information system for monitoring and evaluating family planning programmes. In Zimbabwe, the study helped clarify whether the local production of contraceptives was feasible in that country, and the long-term forecast provided the basis for the Government's request to UNFPA for injectable contraceptives.

7. A number of other Governments are conducting similar exercises. Studies have been conducted in Haiti and the Dominican Republic with the technical collaboration of the secretariat of the Global Initiative; and reports on these two countries will be published shortly. In India, an update study has already been completed, and its report will also be published shortly. A similar study will soon begin in Morocco.

8. Under the auspices of the Global Initiative, a number of technical reports have been published and disseminated. These include:

(a) A report entitled *Contraceptive Needs and Logistics Management*, which summarized the technical papers and the proceedings of the Consultative Meeting held in New York in May 1991;

(b) The reports of in-depth studies on contraceptive requirements and logistics management needs conducted in a number of countries;

(c) *Contraceptive Procurement: Options for Programme Managers*. This contraceptive procurement handbook was initially developed by the Program for Appropriate Technology in Health (PATH) with USAID involvement and has also been translated into French and Spanish;

(d) *Contraceptive Use and Commodity Costs in Developing Countries, 1994-2005*, an update of global estimates for contraceptive requirements and costs;

(e) *The Global Initiative on Contraceptive Requirements and Logistics Management Needs: Lessons and Methodologies*. This report presents highlights of major lessons learned from the in-depth studies, methods of forecasting contraceptive requirements, and a step-by-step guide for conducting an in-depth study. This report will be a useful resource for countries that wish to carry out studies on their contraceptive requirements and logistics managements needs;

(f) *Donor Support for Contraceptive Commodities*, an initial report on the development of a database detailing available resources. The aim of this database is to establish a practical and useful repository of information on donated contraceptive commodities, including condoms for HIV/AIDS prevention. An important function of the database is to facilitate and encourage coordination and cooperation among donor agencies and between donor agencies and Governments in the area of contraceptive requirements. The collation of this information will assist in the identification of needs and in the monitoring of global trends.

9. The Global Initiative has thus assisted many developing countries in better assessing and estimating their contraceptive requirements and strengthening their contraceptive logistics systems. It has also raised general awareness of the increasing global requirement for contraceptive commodities and of the need to strengthen logistics management systems. These issues will continue to provide the basis for the future activities of the Global Initiative.

II. FUTURE ACTIVITIES OF THE GLOBAL INITIATIVE

10. The Global Initiative has an important role to play in the coming years, including inter alia: monitoring follow-up action plans as suggested by the in-depth studies; providing technical assistance in countries for making logistics systems more efficient and cost-effective; organizing training in logistics management and contraceptive forecasting; publishing technical reports; assisting countries in conducting in-depth studies; and disseminating information on contraceptive needs and supply throughout the world.

11. Outlined below are some of the immediate follow-up actions and new directions proposed for the next four years (1996-1999).

Medium-term follow-up to the in-depth studies

12. It has been envisaged that three to four years after the completion of each in-depth study an in-country review of the original findings and recommendations will be undertaken. The projection of contraceptive requirements and logistics management needs will be updated, as appropriate, taking into account the actual volume of contraceptives required during the period and other interim developments. The UNFPA Country Director will be advised to develop a follow-up action plan in conjunction with the Government, in-country donors and, as appropriate, representatives of NGOs and the private sector. The follow-up action plan will provide a specific time-frame and a clear designation of responsibilities in order to implement the recommendations of the in-depth study. Where feasible the follow up study will be integrated with other exercises such as Programme Review and Strategy Development (PRSD) missions, and technical review missions carried out by UNFPA Country Support Teams (CSTs).

Technical assistance and training in logistics management and forecasting

13. The in-depth studies have revealed a great need to develop the national capacity of many developing nations in assessing and meeting their unmet needs for contraceptives. This can be achieved by improving logistics management systems and by refining contraceptive forecasting techniques. In order to improve programmatic impact and to ensure the regular and uninterrupted supply of contraceptives in the right place at the right time and in the right quantity, it is essential to have a good storage, inventory, ordering, distribution and management information system in place to enable effective management of the logistics system. Strengthening technical advisory services and training in logistics management and forecasting techniques will thus be a high priority of the Global Initiative. The Global Initiative will develop and implement a set of activities that will include the development of training modules; the organization of training courses using experts from both developed and developing countries; and continued backstopping provided by logistic management advisers on the CSTs.

In-depth studies

14. Increasing demand for contraceptive commodities and the continuous need to strengthen logistics management systems are likely to stimulate a number of countries to carry out in-depth studies of their own over the next four years. The expertise and capacity that UNFPA has developed in carrying out the in-depth studies to date and other related activities will serve as a valuable resource in advising countries that wish to carry out such studies in the future.

Contraceptive commodity database

15. Further work will be undertaken to develop and refine the database on donor support for contraceptive commodity provision to developing countries. The collation of this information will assist in the identification of needs and in the monitoring of global trends. The Global Initiative will continue to develop and refine the contraceptive commodity database to include both retrospective and prospective data on contraceptive supplies. The feasibility of collecting information on nationally produced and procured contraceptives will be explored. Use of the database will further facilitate the planning of future support for contraceptives, both for unmet family planning needs and for HIV/AIDS prevention.

Coordinated approach

16. In addition to those specific activities, the Global Initiative will work closely with UNFPA's Procurement Unit and with the proposed Global Contraceptive Commodity Programme (see DP/FPA/1996/3) once established. UNFPA would create an in-house global procurement management team comprising the staff of the Global Initiative and the UNFPA Procurement Unit. This team would work closely with geographical and technical divisions in UNFPA and with outside partners. The team would thus help ensure a more comprehensive and coordinated approach to assessing and projecting contraceptive commodity needs and strengthening logistics management systems, particularly through the building of national capacity.

IV. ELEMENTS FOR A DECISION

17. The Executive Board may wish to:

(a) Take note of the report as contained in DP/FPA/1996/2;

(b) Endorse the proposed future activities of the Global Initiative;

(c) Request the Executive Director to submit a progress report on the activities of the Global Initiative as part of her annual report.

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GLOBAL CONTRACEPTIVE COMMODITY PROGRAMME

Report of the Executive Director

1. This report has been prepared in response to Executive Board decision 95/36, in which the Board took note of the report on the Global Initiative on Contraceptive Requirements and Logistics Management Needs in Developing Countries in the 1990s contained in document DP/1995/62. The Executive Board agreed in principle to the establishment of a global contraceptive commodity programme to be managed by UNFPA and requested the Executive Director to submit to the Board at its first regular session of 1996 a comprehensive report on the envisaged global contraceptive commodity programme, including the objectives and scope, administrative and financial aspects, and UNFPA's efforts to promote national capacity building, drawing on the experience of other United Nations agencies, in particular, UNICEF, the World Health Organization (WHO), and UNDP's Inter-Agency Procurement Services Organization (IAPSO), in order to take a final decision on the matter.

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I. INTRODUCTION

2. In early 1995 UNFPA, with funding from the Rockefeller Foundation, commissioned the preparation of a discussion paper to examine the need and feasibility of a global contraceptive commodity programme. The paper, inter alia, examined a number of institutional arrangements for establishing such a facility: (a) as an integral part of UNFPA; (b) as a special project of UNFPA; (c) as a sub-unit under an alternative United Nations procurement agency or organization such as UNICEF or IAPSO; (d) as a semi-autonomous institution under the International Planned Parenthood Federation (IPPF), if IPPF agreed; or (e) as a separate, independent institution responsible to its own Board.

3. This paper was discussed and further elaborated on at both the Working Group Meeting on Contraceptive Requirements and Logistics Management Needs in Developing Countries in the 1990s on 27 February 1995 and at the Consultative Group Meeting on Contraceptive Requirements and Logistics Management Needs in Developing Countries in the 1990s on 2 June 1995. The Consultative Group meeting was attended by representatives from thirteen Governments -- Australia, Bangladesh, China, Finland, India, Indonesia, Japan, Mexico, Nepal, Pakistan, Republic of Korea, United Kingdom and United States; three multilateral organizations -- UNICEF, WHO and the United Nations Population Division; four non-governmental organizations (NGOs) -- IPPF, The Population Council, the Program for Appropriate Technology in Health, and the Rockefeller Foundation; and the European Union and the World Bank. The Consultative Group endorsed the establishment of such a programme, recommended that the preferred option was for UNFPA to undertake this task, and suggested that this proposal be placed before the Executive Board for its approval.

4. At its third regular session, 11-15 September 1995, the Executive Board considered the proposal for a global contraceptive commodity programme in great depth and requested the Executive Director to submit to the Board at its first regular session of 1996 a comprehensive report on the envisaged global contraceptive commodity programme.

II. BACKGROUND

5. The global contraceptive commodity programme being proposed falls within the overall context of reproductive health, including family planning and sexual health. Indeed, the Programme of Action of the International Conference on Population and Development (ICPD) clearly identified the need for such a programme. Paragraph 7.25 states that the "international community should move on an immediate basis, to establish an efficient coordination system and global, regional and subregional facilities for the procurement of contraceptives and other

commodities essential to reproductive health programmes of developing countries and countries with economies in transition".

6. The global contraceptive commodity programme is viewed by many donors and UNFPA simply as a means of meeting urgent country requests for contraceptives, including condoms for HIV/AIDS prevention, in a more effective and efficient manner. It is fully consistent with the broad reproductive health approach, including family planning and sexual health, which the Board has endorsed in decision 95/15. The number and timing of requests for UNFPA procurement assistance are often unpredictable, thus leading to an inherent volatility in the system. The existence of a buffer stock of contraceptives will allow the Fund to counteract this volatility and meet urgent requests in a more efficient manner. The programme will thus contribute to the overall strengthening of reproductive health programmes by improving mechanisms and modalities for addressing unmet needs, increasing choice and ensuring quality in meeting the needs of individuals.

7. UNFPA will also maintain a close link between the activities of this programme and the work of the Global Initiative, as outlined in the report on the "Future role of UNFPA in assessing and meeting the unmet needs for contraceptives and the requirements for logistics management", which is also being submitted to the Executive Board at its first regular session of 1996 in document DP/FPA/1996/2. This link is to ensure that national capacity building, particularly in terms of contraceptive forecasting and logistics management, is promoted and strengthened through such inputs as technical training and technical advisory services and by improved warehousing, stock keeping, transport and management information systems.

8. The need for modern contraceptive methods is growing rapidly in developing countries. Contraceptive prevalence rates are increasing in most countries; the absolute number of couples of reproductive age continues to increase; and population groups such as single persons and adolescents are increasingly in need of contraceptive services. The combination of these factors is dramatically increasing the demand for family planning services -- the number of contraceptive users in developing countries is expected to increase by about 150 million during the next decade, bringing the total number of users to about 625 million in 2005 -- and this will require much greater resource allocations for contraceptive commodities than in the past. This situation is likely to increase the number of stock shortages that occur and, together with the continuing occurrence of emergency situations, puts a responsibility on the international community to be able to respond promptly to urgent requests for contraceptive commodities.

9. Through the Global Initiative on Contraceptive Requirements and Logistics Management Needs in Developing Countries in the 1990s, UNFPA has become aware of urgent demands for

contraceptive commodities in a number of developing countries, and in many cases UNFPA or other donors have had to take urgent action to assist countries to deal with these unforeseen shortages:

(a) Following a donor coordination meeting in Zimbabwe (November 1991), the British Overseas Development Administration (ODA) agreed to provide Zimbabwe with 66 million condoms, which together with UNFPA's support for a further 32 million condoms helped the country meet its requirements for 1992 and 1993;

(b) In 1992, UNFPA was able to respond quickly and positively to the Government of Pakistan's emergency request for 650,000 intra-uterine devices (IUDs), which came to light as a result of the in-depth study carried out in that country under the Global Initiative;

(c) In 1993-1994, Zambia faced an acute shortfall of contraceptives, and the ODA was able to provide a mix of contraceptives to meet the country's immediate needs;

(d) In 1993, UNFPA provided $600,000 to Algeria to offset a shortage in contraceptive supply for the national family planning programme;

(e) In 1994, a shortage of condoms developed in Bangladesh, and UNFPA provided stopgap support for 50 million condoms.

10. In addition to critical shortages in programmes, a number of requests for contraceptive supplies have been received from countries or regions where emergency situations exist:

(a) In 1995, UNFPA approved an emergency provision of $133,000 worth of pills and condoms to Somalia for country-wide distribution through NGO clinics;

(b) In 1995, UNFPA provided condoms, pills and IUDs for a total of $35,000 as part of emergency reproductive health kits for Bosnia-Herzegovina;

(c) In 1995, UNFPA provided funding for $32,000 worth of condoms, pills and IUDs to Marie Stopes International for the emergency needs of refugees and internally displaced women in Croatia;

(d) As part of United Nations humanitarian assistance to Iraq, UNFPA is providing oral pills worth $130,000 to cover the country's needs for part of 1995 and recently committed $633,000 for a range of contraceptive commodities to cover needs in 1996.

11. UNFPA's current ability to meet such requests in a timely manner is constrained by a number of factors. The lead-time required from the initiation of a request for contraceptives to delivery to the recipient programme can be many months. Two major factors contribute to this lead-time. The first is the availability of funding, and the second is the time required for production, quality testing and delivery. It is not possible under current UNFPA financial regulations to issue a purchase order or binding legal commitment to procure any products without first having the necessary funds to cover the financial obligation incurred. Similarly, production by the manufacturer is generally not initiated without first having a formal binding request in the form of a purchase order.

12. The idea of establishing a global contraceptive commodity programme stems from the need to be able to ensure a prompt response capability in order to avert critical disruptions in contraceptive supply. This programme would also be able to ensure that the contraceptives supplied in such situations continue to be at the lowest possible cost and of the required quality. Moreover, a major result of the programme would be to reduce the time between placing orders and delivery in the recipient countries. Avoiding such shortages would build confidence in the reliability of reproductive health programmes and would prevent shifting to less effective methods of contraception.

III. INTERNATIONAL CONTRACEPTIVE PROCUREMENT

UNFPA

13. Table 1 indicates that UNFPA has become increasingly involved in assisting countries in meeting their needs for contraceptive commodities. UNFPA's purchasing of contraceptives has more than tripled during the last few years. Additionally, donors are increasingly using UNFPA procurement services because of the Fund's ability to negotiate low prices from manufacturers and to ensure product quality -- a capability that has taken a number of years to establish. In 1994, 87 countries (see annex) requested UNFPA to procure contraceptives for them using UNFPA core funds. In addition, and also in 1994, 12 countries (Bangladesh, Brazil, Burkina Faso, Burundi, Ghana, Mexico, Nepal, Niger, Nigeria, Pakistan, Peru and Sri Lanka) requested UNFPA to procure contraceptives for them using funds from other sources including the World Bank, Germany, Canada, Finland, the Asia Development Bank, UNDP, the ODA, and the Government of Sri Lanka.

Table 1

Procurement of contraceptive commodities by UNFPA (millions of $)				
	1991	1992	1993	1994
UNFPA core funds	13.4	17.8	24.9	36.3
Procurement through UNFPA	11.9	33.9	1.7	45.6
TOTAL	25.3	51.7	36.6	81.9

Source: UNFPA Procurement Unit

14. UNFPA has product and price information from most of the major manufacturers and suppliers in over 20 countries worldwide. International competitive bidding and bulk purchases enable UNFPA to secure high-quality products at low prices. This has led to major cost savings and increased value for money. UNFPA prices for most contraceptives are generally lower than those which countries and donors are able to negotiate:

(a) Prices for condoms purchased through UNFPA are often half or less of what a country might negotiate on its own;

(b) The common public sector price for oral pills is between 20 to 25 cents per cycle; however, UNFPA has secured prices below 16 cents per cycle;

(c) In procuring raw materials in 1995 for the manufacture of oral contraceptive pills in India, a major donor paid double the price compared to that paid by UNFPA for the same product. A subsequent order of raw materials was procured through UNFPA and saved the Government over $1 million compared to the previous order.

15. In 1994, UNFPA procured $81.9 million worth of contraceptives with funds from all sources from suppliers in over a dozen countries. Table 2 shows the top ten country sources of contraceptives: (a) bought with UNFPA core funds; (b) procured through UNFPA; and (c) bought from all sources of funds.

16. Table 2 indicates that with UNFPA core funds, seven countries provide 5 per cent or more of the total, while three countries account for over 90 per cent of the contraceptives procured through UNFPA, one country alone accounting for over 70 per cent.

Table 2

Country of origin of contraceptives procured with UNFPA core funds, procurement through UNFPA, and with funds from all sources - Top 10 countries in 1994

Country	UNFPA core funds		Procurement through UNFPA		All sources of funds	
	($ millions)	(%)	($ millions)	(%)	($ millions)	(%)
Germany	9.4	26.0	32.1	70.4	41.5	50.7
Belgium	7.2	19.8	6.6	14.5	13.8	16.8
Canada	4.2	11.6	3.0	6.6	7.2	8.8
Republic of Korea	3.5	9.6	0.6	1.3	4.1	5.0
United States	2.1	5.8	0.9	2.0	3.0	3.7
Netherlands	2.8	7.7	0.0	0.0	2.8	3.4
India	2.4	6.6	0.0	0.0	2.4	2.9
Japan	1.6	4.4	0.5	1.1	2.1	2.6
Hungary	1.2	3.3	0.6	1.3	1.8	2.2
Finland	1.5	4.1	0.3	0.7	1.8	2.2
All other countries	0.4	1.1	1.0	2.2	1.4	1.7
TOTAL	36.3	100.0	45.6	100.0	81.9	100.0

Source: UNFPA Procurement Unit

Other agencies and organizations

17. Table 3, which gives information on a number of other agencies and organizations that procure contraceptives, indicates that UNFPA procures the largest value and volume of contraceptives of all the bilateral or international agencies involved in reproductive health programmes.

Table 3

Contraceptive procurement volume by international agency, 1994		
	Amount ($)	Comments
UNFPA	81.9 million	Contraceptives account for 79% of total UNFPA procurement. Contraceptives procured at the request of Governments include: oral contraceptives, injectables, condoms, IUDs, spermicides, implants, and raw materials for oral pill production.
USAID	46.1 million	Down from $59 million in 1991. USAID procures condoms (50% of total), oral contraceptives, injectables, IUDs, spermicides and implants. All items are manufactured in the USA, except Norplant™ which is bought from Finland. USAID maintains a three-month buffer stock of contraceptives in the value of $10-15 million.
IPPF	6.2 million	Procures contraceptives for its own affiliates and has carried out a limited number of large procurements for agencies and Governments since February 1995.
WHO	2.5 million	Out of a total procurement of $69.1 million for items such as pharmaceuticals, medical supplies and medical equipment, WHO procures $2.5 million worth of contraceptives. The major items procured are condoms (purchased primarily as a preventative measure against HIV infections). The other types of contraceptives are oral contraceptives, injections, implants, IUDs and spermicide jelly in small quantities.

Source: UNFPA Procurement Unit

18. Procurement service capacity exists in other United Nations agencies such as UNICEF's Supply Division, Procurement and Assembly Centre (UNIPAC) and IAPSO, however neither agency procures contraceptives. UNICEF as a matter of practice does not provide contraceptive supplies from its own resources, and UNDP has in the past utilized UNFPA procurement services when contraceptives were needed in their core-funded programmes. UNICEF is primarily involved in procurement for programmes benefiting children and women in the areas of primary health care, primary education, potable water supply, sanitation and shelter. IAPSO serves as a focal point for the United Nations system on procurement issues and has established global standards for motor vehicles, motor cycles, office equipment and power generators. Total

procurement figures for the two agencies in 1994 were: $380 million for UNICEF, mainly for vaccines, pharmaceuticals, medical supplies, water well-drilling and sanitation equipment; and $48 million for IAPSO, mainly for light and heavy vehicles, motor cycles, office equipment, computers and power generators. Although it is difficult to make direct comparisons, UNIPAC and IAPSO have 240 and 70 full-time staff, respectively, and the UNFPA Procurement Unit currently has 14 full-time staff. Knowledge of products and prices in each organization is highly specialized. Taking on the procurement of new types of products would undoubtably require an additional investment in technical expertise.

19. UNFPA has positive relations with other United Nations procurement agencies and cooperates with them in a number of ways, for example:

(a) In 1994, UNFPA purchased $4.9 million worth of medical equipment, audio visual and office equipment through UNIPAC;

(b) UNFPA procures all field office vehicles, heavy vehicles, trucks, and motor cycles directly from manufacturers according to IAPSO specifications and at IAPSO agreed contract prices;

(c) UNFPA recently procured $600,000 worth of condoms for a UNDP-funded programme in Brazil. Another order is expected later this year;

(d) UNFPA is committed to purchasing condoms according to WHO specifications and testing guidelines and has an ongoing dialogue with WHO on these issues;

(e) Since 1990, UNFPA has provided procurement services to five World Bank-financed projects and regularly provides information and advice to Bank staff on contraceptive commodities.

IV. THE PROPOSED GLOBAL CONTRACEPTIVE COMMODITY PROGRAMME

Mechanism

20. The proposed programme would operate under the principle of a "revolving fund" managed as a trust fund by the Procurement Unit of the Division of Finance, Personnel and Administration. The trust fund would be used to purchase a buffer stock of commonly requested contraceptive commodities from established manufacturers. The programme would procure contraceptives by pharmaceutical composition or generic description within pre-agreed (i.e.,

WHO-approved) specifications at the lowest available international price. The revolving fund principle would ensure that the buffer stock was maintained at the predetermined level.

21. Having procured a pre-agreed range and volume of standard contraceptives, the programme could ship these commodities to a warehouse programme (e.g., UNICEF's UNIPAC facility in Copenhagen) to be called on as required and consigned to the designated recipient country. Alternatively, UNFPA could negotiate with the respective manufacturers, prior to procurement, to hold the items in stock at the manufacturer's premises, to be segregated and held ready for immediate shipment to the agreed recipient. It is felt that the second of these two possibilities is the preferred option because it would not incur additional freight charges to an interim warehouse location; UNFPA would not be required to set up a warehousing function that would incur further costs and might have additional staffing implications; and UNFPA could ensure that stocks held were "fresh", i.e., items held by the manufacturer would be regularly replenished to ensure optimum shelf-life.

Prerequisites

22. Three prerequisites exist for the establishment of the proposed global contraceptive commodity programme: funding, staffing, and a set of operating procedures.

23. Funding. An allocation of UNFPA intercountry programme funds would provide the initial $5 million capitalization for the programme. In addition, the programme could be used by other agencies and organizations as long as they provided working capital. Replenishment of the fund would be accomplished primarily by recovering funds from UNFPA country programme allocations. An additional fee or programme premium would be levied for all users of the programme. This fee or premium would be put back into the programme to increase the amount of available funds and/or would be utilized to offset overhead costs and such contingency costs as exchange rate fluctuations. A programme premium might also help to ensure that requests made to the programme were specifically of an emergency nature and not regular requirements.

24. Staffing. Current staffing levels within UNFPA are not adequate to initiate or manage a global contraceptive commodity programme. The following additional project personnel would be required: (a) a procurement adviser (L-4 level); and (b) a finance assistant (G-6 level) in the Procurement Unit. Under the immediate supervision of the senior procurement officer, the procurement adviser would be responsible for establishing and administering the buffer stock of contraceptives. The procurement adviser would be responsible for preparing periodic updates and reports on the work of the programme in order for the Executive Board to assess its effectiveness and to recommend any modifications to its operation. The finance assistant would also be based

in the Procurement Unit in order to ensure that the revolving fund is appropriately administered and that satisfactory financial statements are periodically produced. This responsibility is likely to increase as outside agencies make use of the services of the programme.

25. It should be underscored that it would not be viable to operate this programme without additional staff. Experience to date with externally-funded procurements has demonstrated that most are invariably more time-consuming than standard UNFPA core-funded procurements. A considerable amount of extra work would be generated in managing the trust fund, settling invoices and providing periodic financial statements. Further, given that this programme may operate on the basis of combined funds from multiple sources and upon the principle of a "revolving fund", the bookkeeping and monitoring process would be complex.

26. Operating procedures. The operating procedures established for the proposed programme would, inter alia, determine whether requests received were eligible for support from the global programme (eligibility criteria) and provide guidelines concerning the operation of the programme (operating guidelines). The eligibility criteria would include the following: (a) the reason for the emergency request (justification); (b) current stockholding situation and in-country demand; (c) potential alternative sources and contraceptives in the supply pipeline; and (d) national ability to respond and react in procuring products directly. The staff of the global contraceptive commodity programme, based in the Procurement Unit, would execute requests meeting the eligibility criteria after consultation with the country office or geographical division, as appropriate. The emergency request would be submitted to the Contracts Review Committee (CRC) on a "fast-track" basis for review and approval.

National capacity building

27. National capacity building in regard to the provision of contraceptive commodities is based on the development of: (a) infrastructure and skills for logistics management systems; (b) local production of contraceptives; and (c) local procurement capacity. All countries require well-functioning logistics management systems. However, the feasibility of local production and local procurement should be determined on a country-by-country basis.

28. Over the past five years, the Global Initiative has focused on all three areas of capacity building. Document DP/FPA/1996/2, "Future role of UNFPA in assessing and meeting the unmet needs for contraceptives and the requirements for logistics management," indicates ways in which the Global Initiative can assist countries in strengthening logistics management systems.

29. Over the past 20 years, UNFPA has provided support for both feasibility studies and local production of contraceptives in a number of countries. The main objective of UNFPA assistance in this area is to ensure a local supply of safe, effective modern contraceptive methods. UNFPA's assistance has also included improving product quality, fostering good manufacturing practices and promoting worker safety. Specific examples include: China -- IUDs, condoms, oral pills, injectables, spermicides, and raw materials; Cuba -- oral pills; India -- condoms, oral pills, IUDs, and the procurement of raw materials; Indonesia -- IUDs; and Viet Nam -- condoms. A project currently pending entails the local manufacture of condoms in Bangladesh.

30. A review of UNFPA support for local production (UNFPA Evaluation Report Number 10) revealed that between 1980 and 1994, UNFPA provided approximately $50 million to support local contraceptive production in China, India and Viet Nam. Components of UNFPA assistance in these countries included: (a) design concepts for modern production facilities; (b) production, packaging and testing equipment; (c) supply of raw materials; (d) training in contraceptive technology, product testing and good manufacturing practices; and (e) technical assistance.

31. The Global Initiative has provided analysis of local production capabilities in 11 in-depth country studies in Bangladesh, Brazil, Egypt, India, Mexico, Nepal, Pakistan, Philippines, Turkey, Viet Nam and Zimbabwe. The in-depth studies outline opportunities and options for contraceptive manufacturing in each country and explain constraints for local production under certain conditions.

32. The Global Initiative has also prepared a report entitled "Contraceptive Procurement: Options for Programme Managers" that outlines the advantages, disadvantages and resource requirements associated with the following options: single-source procurement, procurement through an intermediate agency, and competitive procurement.

UNFPA global procurement management team

33. The activities of the Global Initiative have highlighted the need for greater efforts in estimating contraceptive requirements and in the logistics management of contraceptive supplies in many countries. In order to assure coordination between these two aspects, UNFPA would create an in-house global procurement management team comprising the staff of the Global Initiative and the Procurement Unit. This team would also work closely with geographical and technical divisions in UNFPA and with outside partners. UNFPA would thus continue to collaborate with the working group members and their subcontractors in this area including the Family Planning Logistics Management Project of the United States Agency for International Development (USAID) in strengthening the areas of logistics management and procurement

services. Activities would include coordination and collaboration on both short-term and long-term contraceptive requirements and logistics management needs identified in the in-depth studies and in other ways, such as Programme Review and Strategy Development (PRSD) exercises and the strengthening of technical advisory services through, for example, the UNFPA Country Support Teams.

V. ELEMENTS FOR A DECISION

34. The Executive Board may wish to:

(a) Take note of the report, as contained in document DP/FPA/1996/3;

(b) Endorse the establishment of a global contraceptive commodity programme, to be managed by UNFPA;

(c) Request the Executive Director to submit an annual progress report on the activities of the global contraceptive commodity programme to the Executive Board.

ANNEX

Countries that requested UNFPA to procure contraceptives in 1994, using UNFPA core funds

Albania
Algeria
Angola
Antigua
Azerbaijan
Bangladesh
Benin
Bhutan
Bolivia
Botswana
Brazil
Burkina Faso
Burundi
Cambodia
Cameroon
Cape Verde
Central African Republic
Chad
Colombia
Comoros
Congo
Côte d'Ivoire
Cuba
Djibouti
Dominican Republic
Ecuador
Equatorial Guinea
Egypt
El Salvador
Eritrea
Federal Democratic Republic of Ethiopia
Gambia
Ghana
Grenada
Guinea
Guinea-Bissau
Guyana
Haiti
Islamic Republic of Iran
Jamaica
Jordan
Kenya
Kyrgyzstan
Lao People's Democatic Republic
Lebanon
Madagascar
Maldives
Mali
Mauritania
Mauritius
Mexico
Mongolia
Morocco
Mozambique
Myanmar
Nepal
Nicaragua
Niger
Nigeria
Pakistan
Panama
Paraguay
Peru
Philippines
Republic of Korea
Romania
Rwanda
Sao Tome and Principe
Senegal
Seychelles
Sri Lanka
St. Lucia
St. Vincent and the Grenadines
Suriname
Swaziland
Syrian Arab Republic
Tajikistan
Togo
Tunisia
Turkey
Turkmenistan
Turks and Caicos
Uganda
United Republic of Tanzania
Viet Nam
Zambia
Zimbabwe

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UNFPA SUPPORT FOR AND COLLABORATION IN THE JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS

Report of the Executive Director

1. This report is being submitted to the Executive Board in response to the request made at its third regular session, 11-15 September 1995, to consider, at its first regular session in 1996, on the basis of a written report, UNFPA's support for and collaboration in the Joint United Nations Programme on HIV/AIDS.

2. As one of the six co-sponsors of the Joint United Nations Programme on HIV/AIDS, UNFPA has been intimately involved in the process of its development, which culminates with the programme becoming fully operational on 1 January 1996.

3. UNFPA's support to the programme has been articulated at meetings of the Committee of Co-sponsoring Organizations; through the signing of the memorandum of understanding on the

Joint Programme; through distribution to all UNFPA staff of a letter from the heads of the six co-sponsoring agencies; and by an indication of the financial contribution to the Joint Programme in the UNFPA intercountry programme proposal, 1996-1999 (document DP/1995/44), which was approved by the Executive Board at its third regular session in September 1995 (decision 95/37).

4. While taking an active role in all the discussions that have ensued over the course of 1994 and 1995 in the development of the Joint Programme, UNFPA has taken care to ensure that support for HIV/AIDS prevention activities continues to increase in its own ongoing programmes and projects, particularly at the country level. In 1994, UNFPA supported HIV/AIDS prevention activities (including supply and distribution of condoms; HIV/AIDS prevention information, education and communication (IEC) activities; and HIV/AIDS training) in 103 countries throughout the world. (Further details of this support can be found in the 1994 AIDS Update, which will be made available to the Executive Board at the January session.) As in the past, the Fund will continue to provide such support in line with national AIDS prevention and control programmes and within the context of the theme group mechanism being set up at the country level by the Joint Programme. UNFPA will work to ensure that its support responds to the specific needs of individual countries and that it is used to support interventions that are effective in reducing the further spread of the epidemic.

5. The Fund's support for HIV/AIDS prevention activities was initiated in the mid 1980s, and policy guidelines for support in this area were issued in 1987. The Programme of Action of the International Conference on Population and Development (ICPD) clearly identified prevention of HIV/AIDS as one of the components of reproductive health programmes. The Fund has subsequently revised its policy in this area and issued guidelines on UNFPA support for reproductive health, including family planning and sexual health. These revised guidelines clearly recognize HIV/AIDS prevention as an integral component of support to reproductive health. The Fund's support will continue to be focused at the primary care level and will continue to concentrate on interventions that will better enable individuals to reduce the risk of HIV transmission through sexual intercourse, from an HIV infected woman to her fetus and through exposure to HIV-infected blood and tissue. Components for support could include the provision of equipment and supplies; development and dissemination of IEC materials; the provision of training; and support for research, as appropriate.

6. In 1994, UNFPA's estimated total support for HIV/AIDS prevention activities was $15 million at the country level and $0.5 million at the intercountry level.

7. At the global level, UNFPA has consistently advocated and promoted the establishment of a single source within the United Nations system that would have responsibility for providing policy, strategic, operational and technical guidance on all aspects of HIV/AIDS. UNFPA has

also argued for a prioritized global research and development agenda that is driven by the needs of countries. UNFPA looks forward to being a partner in the process of developing such guidance and is fully committed to ensuring that the outputs of the Joint United Nations Programme on HIV/AIDS are integrated or mainstreamed into its own policies and programmes. Again, as in the past, the Fund does not intend to initiate any global programme of activities within UNFPA itself but will work through the Joint Programme.

8. UNFPA's support to the Joint Programme so far includes the secondment of a staff member since December 1994 and the provision of a grant to the HIV/AIDS task force for the production of the biennial report on global activities. As mentioned above, the intercountry programme report presented to the September session of the Executive Board included an indication of likely support over the next four years, and a project request from the Joint Programme is currently being processed.

9. In summary, UNFPA, in agreement with the World Health Organization (WHO), considers that family planning, maternal care, prevention of abortion and prevention of reproductive tract infections including sexually transmitted diseases (STDs) and HIV/AIDS are the four most important components of reproductive health. By promoting and supporting effective interventions in these four areas UNFPA will continue to work towards securing and safeguarding reproductive health for everyone.

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BACKGROUND NOTE ON POSSIBLE MEMBERSHIP OF THE UNDP/UNPFA EXECUTIVE BOARD IN THE UNICEF/WHO JOINT COMMITTEE ON HEALTH POLICY

Report of the Executive Director

1. This report has been prepared in response to decision 95/15, which requested UNFPA to submit to the Executive Board at its first regular session in 1996 a brief background note on the issue of whether the Board should consider becoming a member of the UNICEF/WHO Joint Committee on Health Policy (JCHP). The report reviews the operation of the JCHP, briefly noting the history and structure of the Committee and examining the types of issues it has addressed and the actions it has taken; identifies some of the advantages of the UNDP/UNFPA Executive Board becoming a member of the UNICEF/WHO Joint Committee on Health Policy; and recommends that the Executive Board initiate actions towards becoming a member of the Joint Committee.

2. The report advocates the need for a high-level, intergovernmental advisory mechanism that can address health policy issues common to all three organizations and make recommendations for collaborative action. Such a mechanism would ensure that there is agreement and a common understanding and commitment to an overall health policy framework, which in turn would ensure that policy advice and strategies are complementary, in harmony and have a synergistic effect,

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especially at the country level. Common and coherent policy advice and strategies would also help Governments to build sustainable health systems at the country level.

A. Background

3. The governing bodies of UNICEF, WHO and UNFPA have often stressed the importance of close collaboration between the respective programmes of these organizations. Such collaboration acknowledges, and fully accepts, that WHO provides leadership in, and sets overall health policy on, all matters relating to human health in the United Nations system and that WHO has a primary responsibility to support countries in the implementation of their national health programmes. The collaboration among the three organizations is therefore qualitatively different from that among other agencies and organizations within the United Nations system, as was emphasized in the joint report of the Executive Directors of UNICEF and UNFPA on collaborative programming activities of the two organizations, which was submitted to the UNDP Governing Council at its thirty-ninth session in document DP/1992/28.

4. In the areas of child health and of reproductive health, the objectives of WHO, UNICEF and UNFPA converge in relation to goals for women and children in the 1990s. Such convergence is clearly demonstrated in the joint statement of common goals for the health and development of women and children, which was adopted by the three organizations in May 1990 (see the annex to this document). It is particularly pertinent in the context of this report that these common goals were reviewed by the UNICEF/WHO Joint Committee on Health Policy and expressed as the UNICEF/WHO Common Goals for the next United Nations Development Decade.

5. This convergence is further reinforced by the fact that UNICEF and UNFPA support many complementary or similar activities in the health area, most notably at the country level, and both draw upon the technical and policy guidance provided by WHO. Collaboration at the headquarters level in this area has taken place primarily through a joint WHO/UNICEF/UNFPA working group, which has had only limited success in addressing pertinent issues in the area of health policy and in sharpening the focus of collaborative activities accordingly.

B. Operation of the Joint Committee on Health Policy

History and structure

6. The UNICEF/WHO Joint Committee on Health Policy was established in 1948. Its primary objective was to recommend to the UNICEF Executive Board the types of health programmes for mothers and children that were suitable for UNICEF support. The Committee, which is made up of six members from each respective Executive Board and reports to the Executive Boards of both organizations, originally met in regular session every two years but, beginning in 1984, began to meet

more frequently in special sessions as well. The Committee is serviced by an inter-agency secretariat, which meets periodically to make arrangements for regular and special sessions. The Committee's terms of reference, which were revised in 1960 and reviewed in 1994, are as follows (document E/ICEF/1994/L.11):

(a) To review from time to time the overall needs of mothers and children in the health field and to recommend to the UNICEF Executive Board the types of health programmes having as their objectives the improvement of the health of mothers and children that could appropriately receive UNICEF support;

(b) To receive and review progress and assessment reports presented either by the Director-General of WHO or the Executive Director of UNICEF on different types of jointly assisted health activities and to recommend to the UNICEF Executive Board any reorientation of health activities that may be necessary;

(c) To consider any other matters of joint interest to WHO and UNICEF referred by the Executive Board or the secretariats of the two organizations and to recommend subsequent action to UNICEF and, when appropriate, make recommendations on non-technical matters to WHO;

(d) To report to the UNICEF and WHO Executive Boards on the foregoing matters.

Issues addressed and actions taken

7. The JCHP is not a decision-making body. It may recommend actions to the respective Executive Boards but does not have decision-making power. Recommendations from the JCHP are given due consideration by the Boards in determining policies and programmes for the respective agencies and for areas of mutual action. The Joint Committee thus "helps to guide the two agencies as to the types of health programmes which should most appropriately receive their complementary or joint support" (document E/ICEF/1995/11/Rev.1). The Committee's principal areas of interest have focused on strengthening child health activities.

8. The JCHP has, among other things, examined alternative approaches to health policy; reviewed programme implementation and monitoring at the regional level; identified areas for further joint or cooperative action such as the universal child immunization programme; and reviewed goals and objectives of health programmes for women and children. It has also initiated joint action to review the mid-decade goals for children; to formulate a set of time-bound health and nutrition goals which served as the basis for the goals for Child Survival, Development and Protection in the 1990s; to update the World Summit for Children; and to identify problem areas for joint collaboration between UNICEF and WHO.

9. Throughout much of its existence, JCHP endorsement of suggested actions has served as a major input to decisions by the Executive Boards to request that the agencies pursue a certain course of action. For example, the JCHP endorsed the focus on a subset of measurable and achievable mid-decade goals from the full list developed from the World Summit for Children and recommended adoption of the goals by the respective Executive Boards; emphasized the importance of specific indicators for assessing achievements in the health of children; stressed the need for joint work on childhood immunization; and sought further collaboration at the headquarters level in policy implementation. More recently, however, the JCHP has tended to take note of a suggested activity rather than recommend a course of action, opting instead to refer such matters to the Executive Boards for its further consideration.

C. Advantages of a tripartite joint committee on health policy

10. A tripartite intergovernmental committee on health policy composed of representatives from the Executive Boards of UNICEF, WHO and UNFPA would have several distinct advantages. First, and perhaps foremost, such a committee would provide the only venue where members of all three Executive Boards could meet jointly to discuss health policy issues common to the three organizations. This would, among other things, help sharpen the focus of collaborative activities in the areas of child and reproductive health, and enhance inter-agency collaboration in achieving the health and related social goals of the recent international conferences and summits, including the World Summit for Children and the International Conference on Population and Development (ICPD). This would also strengthen activities in advocacy, population and development strategies and in reproductive health programmes.

11. A tripartite intergovernmental committee on health policy would also: (a) help identify, and reinforce, areas of common concern in the mandates of the organizations; (b) foster greater effectiveness in reproductive health programmes by capitalizing on the comparative advantages of the mandates, structures and experiences of the three agencies; and (c) improve efficiency and effectiveness in the use of programme resources by making optimal use of the comparative advantage of the extensive field structures of UNFPA and UNICEF and the technical and normative expertise of WHO to plan, deliver and monitor quality child and reproductive health services.

12. It is likely that there would be no significant costs involved in transforming the JCHP into a tripartite committee. It would, however, require some input of time and effort by the members of the UNDP/UNFPA Executive Board, by the staff of UNFPA as well as by the members of the UNICEF and WHO Executive Boards.

13. Such a tripartite joint committee would require the services of an inter-agency secretariat composed of representatives of WHO, UNICEF and UNFPA. It is intended that the inter-agency secretariat would meet on a regular basis and consist of representatives at the level of Deputy

Executive Director, as well as of working-level support and technical staff from the three organizations. The secretariat would be responsible for, inter alia, reviewing present policies and structures, taking into account the agreements reached at recent international conferences, including the World Summit for Children and the ICPD; identifying agenda items to be taken up by the Joint Committee; supervising the preparation of background documentation and other pertinent materials; and identifying issues for discussion and possible policy options and recommendations.

D. Recommendation

14. The Executive Director recommends that the Executive Board take note of the report as contained in this document and initiate actions towards becoming a member of the UNICEF/WHO Joint Committee on Health Policy.

ANNEX

Common Goals for WHO, UNICEF and UNFPA*

The following goals for the health and development of women and children are common to WHO, UNICEF and UNFPA. These goals reflect existing policies of our Organizations. With respect to WHO and UNICEF, they have recently been reviewed by the UNICEF/WHO Joint Committee on Health Policy and expressed as the UNICEF/WHO Common Goals for the next United Nations Development Decade. The most recent expression of these goals by UNFPA is found in the Amsterdam Declaration adopted by the International Forum on Population in the Twenty-first Century (6-9 November 1989, Amsterdam).

Each of our Organizations has additional policies bearing on the health and well-being of women and children. While these additional policies may not be expressed explicitly in the policies and programmes of other agencies, they nonetheless are usually consistent with the approaches and objectives of the other agencies and, implicitly, are complementary to our common goals. We therefore draw your attention to these other policies as well, in order that our respective staffs are familiar with them and take them into account in the planning and implementation of coordinated and complementary support to national programmes for maternal and child health and family planning.

We have included under the rubric of "Goals" statements that many would consider as "Approaches". We have done this intentionally to emphasize the point that the processes by which the goals are attained are often as important as the goals themselves, particularly if the concepts of self-reliance and sustainability in development are to be realized:

1) Between 1990 and the year 2000, reduction of maternal mortality rate by 50 per cent;

2) Between 1990 and the year 2000, reduction of infant and under-5 child mortality rates in all countries by one-third or to 50 and 70 per 1,000 live births respectively, whichever is less;

3) Access by all couples, especially women, to family planning information and services, so as to avoid pregnancies that are too early, too late, too many or too frequent during a woman's reproductive cycle;

4) Enable virtually all women to exclusively breast-feed their child for four to six months and to continue breast-feeding with complementary food well into the second year;

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* As adopted in May 1990 by WHO, UNICEF and UNFPA.

5) By the year 2000, universal access to and completion of primary education by at least 80 per cent of primary school aged children, and reduction of adult illiteracy rate (the appropriate age group to be determined in each country) to at least half its 1990 level, with emphasis on female literacy;

6) The most urgent priority in education is to ensure access to, and improve the quality of, education for girls and women, and to remove obstacles that hamper their active participation.

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FOLLOW-UP TO AND PREPARATIONS FOR THE ECONOMIC AND SOCIAL COUNCIL

Note by the Executive Director

1. This note has been prepared in response to a request of the Executive Board to provide the Board with preliminary information on how UNFPA plans to report on the issues and concerns raised in Economic and Social Council resolutions 1995/50 (Operational activities of the United Nations system for the international development cooperation segment), 1995/51 (Overall guidance on operational activities for development to the funds and programmes) and 1995/56 (Strengthening of the coordination of emergency humanitarian assistance of the United Nations). It therefore focuses on two areas: operational activities for development; and emergency humanitarian assistance.

A. Operational activities for development

2. This section addresses issues and concerns raised primarily in the context of Economic and Social Council resolution 1995/51, including: (a) resource priorities; (b) coherence of country programmes and linkage with Country Strategy Notes (CSNs); (c) monitoring and evaluation; (d) coordination among the organizations of the Joint Consultative Group on Policy (JCGP); and (e)

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cost-effectiveness of administrative services. A main concern of resolution 1995/51 is to further refine and effectively apply procedures for enhancing the overall impact and performance of the United Nations funds and programmes.

Resource priorities

3. Paragraph 2 of resolution 1995/51 requests the United Nations funds and programmes to give priority in their budget allocations to the least developed countries (LDCs), low-income countries and Africa. Paragraphs 3 and 4 request the funds and programmes to take into account the specific needs and requirements of the countries with economies in transition and of different regions.

4. UNFPA has indicated how it will address these important issues in document DP/FPA/1996/1, in which the Fund proposes a new approach, with two options, for allocating UNFPA resources to country programmes. The new approach, under both options, gives priority to LDCs, low-income countries and Africa. It also earmarks a specific proportion of UNFPA country-programme resources to be allocated on a temporary basis to assist countries with economies in transition. The report is to be taken up by the Executive Board at its first regular session of 1996.

5. UNFPA has consistently addressed the specific needs and requirements of different regions through its programmes in individual countries in the regions, through its intercountry programme (composed of an interregional programme and a regional programme for each of four geographical regions) and through subregional programmes for the South Pacific and for the Caribbean. The regional programmes of the UNFPA intercountry programme for 1996-1999, which was approved by the Executive Board at its third regular session of 1995 in decision 95/37, will enable UNFPA to tailor its activities to the specific needs of the countries of each region. The intercountry programme is structured according to the core programme areas approved by the Executive Board in decision 95/15.

Coherence of country programmes and linkage with CSNs

6. Paragraph 6 of 1995/51 requests the funds and programmes to improve coherence in their country programmes by, inter alia, considering the possibility of joint or consecutive meetings of the Executive Boards, where practicable, on country programmes.

7. UNFPA continues to work closely with UNDP and UNICEF at both the country and headquarters levels to coordinate programming processes. As a result, as noted in the Secretary-General's report on the triennial comprehensive policy review of operational activities for

development of the United Nations system (document A/50/202), 80 per cent of the countries have either already harmonized their programme cycles or expect to do so in preparing their next programme (para. 69). UNFPA Geographical Divisions and UNDP Regional Bureaux consult with one another regularly concerning the preparation of country programmes and country cooperation frameworks with a view to presenting them jointly to the same session of the Executive Board. Both organizations have also consulted with their UNICEF counterparts concerning the presentation of country programmes/country cooperation frameworks at Board meetings. The effects of these efforts at harmonization will be increasingly seen in 1997 when UNFPA and UNDP will be jointly presenting a number of country programmes to the Executive Board.

8. Paragraph 6 also emphasizes the importance of improving the link between country programmes and Country Strategy Notes, where in place, bearing in mind the need for cooperation between external donors and the United Nations funds and programmes in this endeavour.

9. UNFPA's Programme Review and Strategy Development (PRSD) exercise is the Fund's principal mechanism for linking UNFPA country programmes with Country Strategy Notes as well as for making use of the programme approach to population and development. The PRSD is a country-driven situational analysis and strategy development exercise that involves pertinent government ministries in the process. It also draws upon the inputs and experiences of the agencies and organizations -- multilateral, bilateral, non-governmental and private -- active in the population and development field in the concerned country. The aim of the exercise is to develop a strategy for UNFPA assistance that fits most closely with national plans and priorities, especially as outlined in the country strategy note, and that complements the efforts of other organizations active in the population field. UNFPA will continue to build on its experience with the PRSD exercise and to align it closely with similar processes of UNDP and UNICEF.

10. UNFPA has been serving as the Chair of a JCGP subgroup that has been working on harmonizing and simplifying programme processes. The subgroup has focused on specific areas designed to serve as building blocks to increased harmonization. These include, among others, developing steps for undertaking common elements in situation analyses; preparing an update on progress with Country Strategy Notes and related collaborative efforts; and developing common procedures in the areas of programme review and programme monitoring. An analysis on the joint efforts of the funds and programmes in this and related areas, especially at the country level, will be reported on in the context of a joint report being prepared by JCGP (see below).

Monitoring and evaluation

11. Paragraph 7 of resolution 1995/51 deals primarily with monitoring and evaluation. Paragraph 7(a) asks what measures have been taken to ensure that higher priority is given to monitoring and evaluation activities and to the implementation of the findings, in accordance with General Assembly resolution 47/199.

12. UNFPA will address these issues in the context of its periodic report on evaluation activities, which will be presented to the Executive Board at its annual session in May 1996. The Fund will provide an analysis of these and related issues in its report to the Economic and Social Council.

13. Paragraphs 7(b), (c) and (d) ask what steps have been taken to further refine and effectively apply procedures for, respectively, strengthening national capacity for the management and coordination of international assistance; for improving national participation in the process of evaluation of the efficiency and effectiveness of assistance provided by the United Nations funds and programmes; and for promoting greater collaboration among United Nations funds and programmes in the evaluation of their activities.

14. UNFPA will employ a two-pronged approach to address these issues, focusing on the actions taken at the headquarters and country levels in these areas. The Fund will ask its country offices to provide information on and experiences in each of these areas and will analyse the responses.

Coordination among JCGP organizations

15. Paragraph 10 requests the funds and programmes, in the context of the JCGP, to report jointly to the Economic and Social Council through the Secretary-General on questions relating to coordination, cooperation and the division of labour, and on other issues they consider appropriate.

16. This request has been added to the agenda of the JCGP general meeting scheduled for December 1995. UNFPA will participate in, and provide inputs to, the preparation of such a joint JCGP report.

Cost-effectiveness of administrative services

17. Paragraph 11 requests the funds and programmes to explore the scope for improving the cost-effectiveness of administrative services, including the possible use of common administrative services at the field level, with the aim of strengthening programme delivery, and to report thereon to the Council at its substantive session of 1996.

18. UNFPA has continuously explored ways to improve the cost-effectiveness of administrative services, including the use of common administrative services at the field level, most notably through its close working relationship with UNDP. For example, as noted in the UNFPA biennial budget proposal (document DP/1995/42), UNFPA will further develop e-mail connections and data-transfer links between headquarters and the field as well as between UNFPA and other United Nations agencies. The Fund also plans to make its database system, including the Programme Resources Management System (PRMS) and the UNFPA Integrated Field Office System (UNIFOS), more user-friendly, allowing users to access data more efficiently and to carry out in-depth analyses of data. In the area of financial and quality control at the field level, UNFPA will also continue to make use of the UNDP Regional Service Centre in Kuala Lumpur, Malaysia, and to begin to make use of the services of a similar regional centre for Africa, established in Harare, Zimbabwe.

Timely reporting to the Economic and Social Council

19. Paragraph 5 of resolution 1995/50 reiterates that the funds and programmes should submit their reports to the Council in all official languages of the United Nations in good time, to enable the Council to carry out its policy guidance functions, and should schedule their Executive Board meetings so as to ensure this.

20. At the request of the secretariat of the Executive Board of UNDP and UNFPA, the Board approved the re-scheduling of the annual session for 1996 earlier than originally planned, from early June to 6-17 May 1996 (if held in Geneva) or 13-24 May 1995 (if held in New York).

B. Emergency humanitarian assistance

21. In order to provide the Economic and Social Council with the information requested in resolution 1995/56, UNFPA is examining its role and operational responsibilities in situations requiring emergency humanitarian assistance as well its operative and financial capacities in responding to such situations. In accordance with UNFPA policy, the Fund channels its emergency assistance through agencies and organizations that deliver emergency relief

programmes, including United Nations organizations, government agencies and NGOs. UNFPA considers extending such assistance, provided that the request is within the Fund's mandate and that the resources used are drawn from the funds available in the UNFPA country programme for the country concerned. UNFPA provides reproductive health counselling and services (including family planning and sexual health) through the health care mechanism that is available during relief operations. Such assistance is provided in the form of equipment and supplies as well as technical assistance, training and salary support for health personnel.

22. In 1994, UNFPA established an Office for Emergency Operations, based in Geneva, to help the Fund plan, coordinate, monitor and evaluate UNFPA activities in the area of reproductive health in emergency situations. The Office, which is in regular contact with the United Nations High Commissioner for Refugees (UNHCR), jointly organized an inter-agency symposium with UNHCR in June 1995 on reproductive health in emergency refugee situations. The symposium was attended by United Nations and specialized non-governmental organizations active in the area of reproductive health. In conjunction with the symposium, UNFPA and UNHCR signed a Memorandum of Understanding to facilitate collaboration and maximize inputs of both agencies in providing reproductive health and family planning services and supporting advocacy activities to prevent violence against women.

23. During the next two years, all UNFPA Country Directors and Country Support Teams will receive the necessary tools, training and information needed to implement emergency reproductive health activities directly or through government, United Nations or specialized non-governmental organizations.

C. Reporting to the Economic and Social Council

24. As requested in resolution 1995/51, UNFPA will report on these issues to the Economic and Social Council at its substantive session of 1996, through the Executive Board. This will give the Board the opportunity, as requested in paragraph 8 of resolution 1995/51, to identify in its report to the Council specific problems, opportunities and areas in which the Council could provide cross-sectoral coordination and overall guidance on a system-wide basis.

D. Executive Board action

25. The Executive Board may wish to take note of this report, as contained in document DP/FPA/1996/6.